



General Assembly

January Session, 2001

Raised Bill No. 6558

LCO No. 3268

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

***AN ACT CONCERNING FLEXIBLE HOUSING AND COMMUNITY
DEVELOPMENT PROGRAMS.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

- 1 Section 1. (NEW) (a) For purposes of this section:
- 2 (1) "Affordable housing" means affordable housing as defined in
- 3 section 8-39a of the general statutes;
- 4 (2) "Commissioner" means the Commissioner of Economic and
- 5 Community Development;
- 6 (3) "Department" means the Department of Economic and
- 7 Community Development;
- 8 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a
- 9 municipality; (C) a housing authority; (D) a business corporation
- 10 incorporated pursuant to chapter 601 of the general statutes or any
- 11 predecessor statutes thereto or authorized to do business pursuant to
- 12 said chapter 601 having as one of its purposes the construction,
- 13 acquisition, rehabilitation or operation of affordable housing, and
- 14 having a certificate or articles of incorporation approved by the

15 commissioner; (E) any partnership, limited partnership, limited
16 liability company, joint venture, sole proprietorship, trust or
17 association having as one of its purposes the construction, acquisition,
18 rehabilitation or operation of affordable housing, and having basic
19 documents of organization approved by the commissioner; or (F) any
20 combination thereof;

21 (5) "Eligible costs" means costs relating to the planning,
22 implementation and completion of an eligible project; and

23 (6) "Eligible project" means a project designed for the purpose of
24 providing affordable housing, and shall include, but not be limited to,
25 (A) acquisition, construction, rehabilitation, repair and maintenance of
26 residential or mixed use structures, or (B) acquisition, construction,
27 rehabilitation, repair and maintenance of related infrastructure,
28 facilities and amenities incidental and pertinent to the provision of
29 affordable housing and intended primarily to serve the residents of the
30 affordable housing project, that may include, but not be limited to, a
31 community room, laundry, day care space, computer center,
32 management office or playground.

33 (b) The state, acting by and in the discretion of the commissioner,
34 may enter into a contract for state financial assistance for any eligible
35 project in the form determined by the commissioner, including, but not
36 limited to, a grant, loan, loan guarantee, deferred loan or any
37 combination thereof.

38 (c) (1) An application for financial assistance shall be in the form
39 and manner prescribed by the commissioner. In determining whether
40 and to what extent to fund an application received from eligible
41 applicants, the commissioner may consider relevant factors including,
42 but not limited to, the following: (A) The ability of the project to
43 affirmatively further racial and economic integration, including
44 expanding multifamily rental housing opportunities in suburban and
45 rural communities; (B) the ability of the project to meet the housing
46 needs of the lowest income populations; (C) the ability of the project to

47 revitalize urban neighborhoods, including expanding homeownership
48 and increasing multifamily rehabilitation in the central cities; (D) the
49 ability of the project to provide a full range of supportive housing
50 options for people with special needs or who are at risk of becoming
51 homeless; (E) impact of the project on the local neighborhood, region
52 and the state; (F) short-term and long-term benefits of the project; (G)
53 impact on affordable housing needs of the neighborhood, community,
54 municipality and region; (H) project feasibility; (I) potential for
55 leveraging other public and private investments; (J) applicant's ability
56 to implement the project in a timely manner; (K) the relative need for
57 the project; (L) the applicant's financial commitment to the project,
58 except in the case of a nonprofit entity or a housing authority created
59 pursuant to section 8-40 of the general statutes; and (M) the extent to
60 which the project will advance the public purposes set forth in this
61 subdivision.

62 (2) (A) On or before December 31, 2002, and annually thereafter, the
63 commissioner shall submit a report to the select committee of the
64 General Assembly having cognizance of matters relating to housing,
65 which report shall include a description of each project funded under
66 this program, the other sources of financing for each project and the
67 relevant factors considered by the commissioner pursuant to this
68 subsection in determining to provide such funding.

69 (B) On or before December 31, 2001, and quarterly thereafter, the
70 commissioner shall submit to the Housing Advisory Committee a
71 report that shall include a description of each project funded under
72 this program, the sources of financing for each project, the relevant
73 factors considered by the commissioner pursuant to this subsection in
74 determining to provide such funding, and such other information as
75 the Housing Advisory Committee may request.

76 (d) The commissioner shall review and approve the site and the
77 estimated total development budget, including the nature and amount
78 of financial assistance to be provided from all sources and by the state.

79 The commissioner may review and approve any additional factors
80 determined to be necessary or appropriate to protect the state's
81 interests. Upon determination by the commissioner that the eligible
82 costs are necessary and reasonable, and, in the case of financial
83 assistance provided from the proceeds of the state's bonds upon
84 preliminary approval by the State Bond Commission pursuant to the
85 provisions of section 3-20 of the general statutes, or, in the case of
86 financial assistance provided from a funding source other than the
87 state's bonds upon the approval by the Governor of an allotment for
88 such purpose, the state, acting by and through the commissioner, may
89 provide the financial assistance for such eligible costs.

90 (e) Financial assistance provided shall be upon terms and conditions
91 not inconsistent with the provisions of this section which the
92 commissioner shall establish as prudent and necessary to protect the
93 state's interests. Such terms and conditions may include, separately or
94 in combination, without limitation: (1) The requirements of funds from
95 other sources, including, without limitation, financing obtained from
96 quasi-public agencies, as defined in section 1-120 of the general
97 statutes, federal and local government agencies and private for-profit
98 and not-for-profit institutions; (2) participation interests; (3) subsidy
99 recapture provisions; and (4) resale and prepayment, job retention,
100 residency, use and affordability restrictions. Such terms and conditions
101 and compliance with such terms and conditions may be documented
102 and secured as the commissioner shall determine.

103 (f) (1) The commissioner may take all reasonable steps and exercise
104 all available remedies necessary or desirable to protect the obligations
105 or interests of the state, including, but not limited to, amending any
106 term or condition of a contract or agreement, provided such
107 amendment is allowed or agreed to pursuant to such contract or
108 agreement, or purchasing or redeeming, pursuant to foreclosure
109 proceedings, bankruptcy proceedings or in other judicial proceedings,
110 any property on which such commissioner or the department holds a
111 mortgage or other lien, or in which such commissioner or the

112 department has an interest.

113 (2) The commissioner may request, inspect and audit reports, books
114 and records and any other financial or project-related information with
115 respect to eligible applicants that receive financial assistance,
116 including, without limitation, resident or employment information,
117 financial and operating statements and audits. The commissioner may
118 investigate the accuracy and completeness of such reports, books and
119 records.

120 (3) Notwithstanding any provision of the general statutes to the
121 contrary, the commissioner is authorized, for purposes of the program
122 established under this section, to assess and collect application fees of
123 no more than two hundred fifty dollars to recover all or part of the
124 costs or expenses incurred by the state in reviewing applications for
125 financial assistance.

126 (g) The commissioner may adopt such regulations, in accordance
127 with chapter 54 of the general statutes, as are necessary for the
128 implementation of this section.

129 Sec. 2. Subsection (b) of section 8-385 of the general statutes is
130 repealed and the following is substituted in lieu thereof:

131 (b) The Housing Advisory Committee shall: (1) Advise the General
132 Assembly, the Governor, the Commissioner of Economic and
133 Community Development and the Connecticut Housing Finance
134 Authority on matters relating to housing programs and policies; (2)
135 provide legislative recommendations relating to housing matters to the
136 Commissioner of Economic and Community Development, the
137 Connecticut Housing Finance Authority and the General Assembly; (3)
138 monitor the housing-related activities of the regional planning
139 agencies under chapter 127; [and] (4) provide oversight for activities
140 undertaken by said commissioner pursuant to the program established
141 in section 1 of this act; and (5) promote coordination on housing
142 matters among state agencies.

143 Sec. 3. Section 29 of special act 95-20 is amended to read as follows:

144 The proceeds of the sale of said bonds shall be used by the
145 Department of Housing for the purposes hereinafter stated:

146 Housing development and rehabilitation, including moderate cost
147 housing, moderate rental, congregate and elderly housing, urban
148 homesteading, community housing development corporations,
149 housing purchase and rehabilitation (no more than \$10,000,000 of the
150 total), housing for the homeless, housing for low income persons,
151 limited equity cooperatives and mutual housing projects, removal and
152 abatement of hazardous material, including asbestos and lead-based
153 paint in residential structures, emergency repair assistance for senior
154 citizens, housing land bank and land trust, housing and community
155 development, predevelopment grants and loans, reimbursement for
156 state and federal surplus property, private rental investment mortgage
157 and equity program, housing infrastructure, septic system repair loan
158 program, acquisition and related rehabilitation, projects under the
159 program established in section 1 of this act, and participation in federal
160 programs, including administrative expenses associated with those
161 programs eligible under the general statutes, not exceeding
162 \$40,000,000.

163 Sec. 4. Section 9 of special act 97-1 of the June 5 special session is
164 amended to read as follows:

165 The proceeds of the sale of said bonds shall be used by the
166 Department of Economic and Community Development for the
167 purposes hereinafter stated:

168 Housing development and rehabilitation, including moderate cost
169 housing, moderate rental, congregate and elderly housing, urban
170 homesteading, community housing development corporations,
171 housing purchase and rehabilitation (no more than \$10,000,000 of the
172 total), housing for the homeless, housing for low income persons,
173 limited equity cooperatives and mutual housing projects, removal and

174 abatement of hazardous material including asbestos and lead-based
175 paint in residential structures (no more than \$2,500,000 of the total),
176 emergency repair assistance for senior citizens, housing land bank and
177 land trust, housing and community development, predevelopment
178 grants and loans, reimbursement for state and federal surplus
179 property, private rental investment mortgage and equity program,
180 housing infrastructure, septic system repair loan program, acquisition
181 and related rehabilitation, projects under the program established in
182 section 1 of this act, and participation in federal programs, including
183 administrative expenses associated with those programs eligible under
184 the general statutes, not exceeding \$18,000,000.

185 Sec. 5. Section 28 of special act 97-1 of the June 5 special session, as
186 amended by section 76 of special act 98-9, is amended to read as
187 follows:

188 The proceeds of the sale of said bond shall be used by the
189 Department of Economic and Community Development for the
190 purposes hereinafter stated:

191 Housing development and rehabilitation, including moderate cost
192 housing, moderate rental, congregate and elderly housing, urban
193 homesteading, community housing development corporations,
194 housing purchase and rehabilitation (no more than \$10,000,000 of the
195 total), housing for the homeless, housing for low income persons,
196 limited equity cooperatives and mutual housing projects, removal and
197 abatement of hazardous material including asbestos and lead-based
198 paint in residential structures (no more than \$2,500,000 of the total),
199 emergency repair assistance for senior citizens, housing land bank and
200 land trust, housing and community development, predevelopment
201 grants and loans, reimbursement for state and federal surplus
202 property, private rental investment mortgage and equity program,
203 housing infrastructure, septic system repair loan program, acquisition
204 and related rehabilitation, projects under the program established in
205 section 1 of this act, and participation in federal programs, including

206 administrative expenses associated with those programs eligible under
207 the general statutes, not exceeding \$20,000,000.

208 Sec. 6. Section 9 of public act 99-242 is amended to read as follows:

209 The proceeds of the sale of said bonds shall be used by the
210 Department of Economic and Community Development for the
211 purposes hereinafter stated:

212 Housing development and rehabilitation, including moderate cost
213 housing, moderate rental, congregate and elderly housing, urban
214 homesteading, community housing development corporations,
215 housing purchase and rehabilitation, housing for the homeless,
216 housing for low income persons, limited equity cooperatives and
217 mutual housing projects, abatement of hazardous material including
218 asbestos and lead-based paint in residential structures, emergency
219 repair assistance for senior citizens, housing land bank and land trust,
220 housing and community development, predevelopment grants and
221 loans, reimbursement for state and federal surplus property, private
222 rental investment mortgage and equity program, housing
223 infrastructure, septic system repair loan program, acquisition and
224 related rehabilitation, loan guarantees for private developers of rental
225 housing for the elderly, projects under the program established in
226 section 1 of this act, and participation in federal programs, including
227 administrative expenses associated with those programs eligible under
228 the general statutes, not exceeding \$5,000,000.

229 Sec. 7. Section 28 of public act 99-242 is amended to read as follows:

230 The proceeds of the sale of said bonds shall be used by the
231 Department of Economic and Community Development for the
232 purposes hereinafter stated:

233 Housing development and rehabilitation, including moderate cost
234 housing, moderate rental, congregate and elderly housing, urban
235 homesteading, community housing development corporations,

236 housing purchase and rehabilitation, housing for the homeless,
237 housing for low income persons, limited equity cooperatives and
238 mutual housing projects, abatement of hazardous material including
239 asbestos and lead-based paint in residential structures, emergency
240 repair assistance for senior citizens, housing land bank and land trust,
241 housing and community development, predevelopment grants and
242 loans, reimbursement for state and federal surplus property, private
243 rental investment mortgage and equity program, housing
244 infrastructure, septic system repair loan program, acquisition and
245 related rehabilitation, loan guarantees for private developers of rental
246 housing for the elderly, projects under the program established in
247 section 1 of this act, and participation in federal programs, including
248 administrative expenses associated with those programs eligible under
249 the general statutes, not exceeding \$5,000,000.

Statement of Purpose:

To create a consolidated, flexible housing development program within the Department of Economic and Community Development, which would be available for proposals that do not fit into existing categorical programs.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]